BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

ORIGINAL

In the matter of: OUT OF THE BLUE PROCESSORS, LLC, an Arizona limited liability company, d/b/a Out of the Blue Processors II, LLC, MARK STEINER (CRD# 1834102) and SHELLY STEINER, husband and wife, Respondents.	DOCKET NO. S-20837A-12-0061 **SECURITIES DIVISION'S REPLY TO RESPONDENTS' POST-HEARING BRIEF** **Hearing Dates: April 28 – May 1, 2014** **Assigned to Administrative Law Judge Mark Preny**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") submits its reply ("Reply") to Respondents' Post-Hearing Brief filed on December 1, 2014 ("Respondents' Brief"). This Reply is supported by the following Memorandum of Points and Authorities. Capitalized terms not defined in this Reply have the same definition used in the Division's Post Hearing Brief filed on June 23, 2014 (the "Opening Brief").

MEMORADUM OF POINTS AND AUTHORITIES

I. Introduction: the Commission's Constitutional and statutory authority to investigate and bring an action against a person who is selling unregistered securities is beyond doubt and not preempted by federal law when Respondents merely assert that their offering is pursuant to federal authority or raise criminal-law doctrines as defenses.

In Respondents' Brief, Respondents argue that the Division's investigation and filing of the Notice was not authorized. Respondents ignore the statutory and Constitutional authority authorizing the Division and the Commission to investigate and take actions in securities cases, as cited in the Opening Brief. To reiterate: the Arizona Legislature has authorized the Commission to conduct investigations of any person that the Commission deems necessary to determine whether a person has violated or is about to violate any provisions of the Securities Act or Commission

Rules.[1] So long as the Commission believes a person is or may be issuing or dealing in or selling or buying securities, the Commission is authorized to investigate and examine into the affairs of that person.[2]

Here the Division had much more than the requisite belief that Respondents were selling securities: Respondents had actually offered to sell securities to "Margo Mallamo." As shown in the Opening Brief, during his discussions with Mallamo Steiner discussed the investment in detail, mentioned having multiple investors, sent written materials, and had settled on a price for Mallamo's investment. Under established law (detailed in the Opening Brief) these actions constitute an offer to sell securities. The Opening Brief also establishes that the securities were unregistered, with no Form D on record, and with none of the Respondents being registered dealers. This warranted action in the form of a TC&D and the Notice, pursuant to A.R.S. § 44-2032. The Respondents in this case were afforded their right to a hearing where they could present evidence that they had complied with the Securities Act or were exempt.

In spite of this well-established statutory authority, Respondents believe that their mere assertion that Respondents' offering was pursuant to Rule 506 of Federal Regulation D preempts all state action, including investigation and an evidentiary hearing to determine Respondents' purported compliance. Respondents also assert three criminal-law doctrines as defenses and suggest that these defenses somehow nullify the evidence presented at hearing.

The Division anticipated his Federal-preemption argument in its Opening Brief. As discussed in the Opening Brief and in some additional detail below, state authority is only preempted if the issuer/broker has strictly complied with federal law. Respondents' Brief fails to address any of the authority cited in the Opening Brief. It also fails to present a list of Rule 506 requirements and cite evidence on record establishing how Respondents satisfied the requirements. Respondents had an opportunity to present evidence of compliance with Rule 506 at a hearing

[1] A.R.S. § 44-1822.
[2] *Id.*

where Respondents were represented by counsel. They failed to do so. Consequently, their offering is subject to Arizona authority.

Respondents' three defenses stemming from criminal-law doctrines are inapposite to this administrative hearing. These three doctrines are entrapment, violation of Arizona's identity theft statute, and (apparently) use of evidence produced from an unlawful search and seizure. As discussed below, these defenses fail for at least three reasons: Respondents did not raise them in their Answers to the TC&D and the Notice, this is not a criminal proceeding, and Respondents fail to meet the elements of these criminal defenses.

Finally, Respondents arguments against the Division's fraud claims fail. These arguments are primarily based on the Respondents' assertion that an appeal to "common sense" would show that investors wouldn't care about knowing the finances of Lunsford Consulting ("Lunsford"). This ignores the facts and arguments set forth at hearing and in the Opening Brief, namely that the standard is what a reasonable investor would expect, that Lunsford and OBP are intimately related, that the fraud claims are based on activity on OBP's bank account, and the testimony of witnesses asserting their expectations that the money not go to Steiner's personal expenses.

II. Because Respondents failed to meet all the criteria of Regulation D Rule 506, federal preemption of the Arizona Securities Act is not available to Respondents

Respondents contend that the Division could not take action against Respondents because Respondents' offerings are governed by federal law. As noted above, Respondents are putting the cart before the horse: the hearing is his opportunity for them to present evidence that they complied with federal law. Given this opportunity, they failed to present the requisite evidence.

The Division anticipated Respondents' preemption argument in its Opening Brief and explained that Respondents have the burden of proving federal law preemption and then of proving that they met all the criteria of the federal exemption. As cited in the Opening Brief, concerning the "burden of proof" section of the Securities Act (A.R.S. § 44-2033), the Arizona Supreme Court has held that "[b]ecause of the vital public policy underlying the registration requirement, there

must be strict compliance with all the requirements of the exemption statute."[3] From the Opening Brief:

> Merely purporting to sell under Rule 506 of Regulation D does not preempt state law.[4] Respondents must also show that they fully complied with the requirements of the rule.[5] A failure to comply with the requirements of Rule 506 voids the exemption, thereby eliminating the possibility of preemption.[6]

Since the securities that are the subject of this case were issued prior to September 23, 2013, they are governed by Regulation D as it was written prior to the JOBS Act amendments (and, at any rate, the JOBS Act's addition of 506(c) would not be available since it requires that all purchasers be accredited investors).

In Respondents' Brief, Respondents fail to address the Division's arguments and the standards set forth in the Opening Brief and cited in the preceding paragraph. Respondents also fail to even show knowledge of Rule 506 requirements (i.e. by listing each of the many Rule 506 requirements); much less provide evidence as to how each requirement is met. Looking at some of the requirements shows that even if Respondents did make a sincere attempt to show compliance, they would be unable to do so.

Rule 506 requires (1) satisfaction of all terms and conditions of §§ 501 and 502; and (2) satisfaction of specific conditions, namely (i) that there be no more than 35, non-accredited purchasers and (ii) that the purchasers "either alone or with his purchaser representative(s) has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, or the issuer reasonably believes immediately prior to making any sale that such purchaser comes within this description." Additionally, Regulation D requires that issuers file a Form D with the SEC; Arizona requires the issuer to file the Form D with Arizona.[7]

---

[3] *State v. Baumann*, 125 Ariz. 404, 411, 610 P.2d 38, 45 (1980) (en banc) (emphasis added).
[4] *Grubka v. Webaccess Int'l, Inc.*, 445 F. Supp. 2d 1259, 1271 (D. Colo. 2006).
[5] 17 C.F.R. § 230.501 et seq.
[6] *Buist v. Time Domain Corp.*, 926 S.2d 290, 298 (Ark. 2005).
[7] 15 U.S.C. § 77r(c); A.R.S. § 44-1843.02(C).

Respondents did not file a Form D as required by Federal and Arizona law. Because Respondents must strictly comply with Regulation D, this failure makes their offering non-exempt under Arizona law.

Respondents did not provide evidence that they only sold to accredited investors or 35 or less investors with the requisite knowledge and experience, i.e. sophisticated investors. Establishing that all 37 OBP investors are accredited is impossible for several reasons. First, Respondents' evidence—consisting mostly of Steiner's testimony, which was primarily observations of investors' lifestyle or the size of their home or some knowledge of their employment background—only touches on 25 of the 37 purchasers. Thus, there is no evidence of any kind that 12 of the investors were accredited. Respondents candidly admit on page 13 of Respondents' Brief that "Several persons listed on exhibit S-19 were not accredited investors."

Second, Respondents' "evidence" about accreditation for the remaining investors is insufficient. On page 12 of Respondents' Brief, Respondents admit that "Mr. Steiner did not obtain specific networth [*sic*] or annual income information from the purchasers." Specific information, however, is what is required. Regulation D has strict requirements as to accreditation—namely a $200,000/$300,000 annual income for single/married persons or a net worth in excess of $1,000,000, excluding the value of a residence. Steiner only asserted that a handful of the 25 persons had "substantial" net worth or was "easily" accredited or previously had a large income. Where Regulation D has strict number requirements, Respondents' evidence needed to establish that these number requirements were met. Steiner's testimony consists of assertions that do not show knowledge of the accreditation standards, do not assert that the specific standards were met, and lack any documentation; they are not evidence of meeting a strict criterion. Only one of Respondents' witnesses testified that he was accredited. Consequently, there is only evidence that one of the 37 investors was accredited.

Third, although it is not the Division's burden to establish a lack of accreditation (rather, it is Respondents' burden to show that each investor met the criteria), at hearing the Division

established that investors Flowers, Clay, and McNoughton were not accredited (additional offeree, Mallamo, was also not accredited).

Respondents argue that investors made representations when they agreed to the LLC Operating Agreements. Respondents failed, however, to provide a single, signed Operating Agreement. Moreover, they provided no evidence that anyone at OBP reviewed the Operating Agreements or other investor representations (such as they were) to make sure OBP had received representations from each investor. Where a company fails to make such a review that company fails to meet its burden of proof required under A.R.S. § 44-2033.

Having failed to prove that more than one investor was accredited, Respondents are left with proving that 36 investors (more than the maximum 35) are sophisticated. The term "sophisticated" refers to the requirement that the purchaser "has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment."[8]

To be a sophisticated investor, the investor must have experience in the particular industry. When making related inquiries about investor sophistication to determine whether investors could have any control over a business, courts have required industry-specific knowledge; general business experience is inadequate. For example, the venture involved in *Daggett v. Jackie Fine Arts* was held to be a security in part because the plaintiff-who owned and operated a construction company-had no experience in the marketing of fine art.[9] Similarly, in *Sullivan v. Metro Productions, Inc.*, the investment scheme for marketing a video-taped television show was held to be a security because the "investments were offered without regard to the experience or sophistication of the investors in the television industry."[10] In *Nutek Info. Sys., Inc. v. Arizona Corp. Comm'n*, the court concluded that the focus should be on the individual investor's knowledge

[8] 17 C.F.R. §§ 230.506(b)(2)(ii).
[9] 152 Ariz. at 567, 733 P.2d at 1150.
[10] 150 Ariz. 573, 577, 724 P.2d 1242, 1246 (App.1986).

of the particular business being operated: "Just because one is a 'business person' does not make him or her less reliant on the expertise of others when entering a new field of endeavor."[11]

If Respondents' evidence for accreditation is applied to investor sophistication, his evidence amounts to, at best, establishing some general business experience for some of the investors. He did not present evidence that each OBP investor had experience conducting business involving bringing Chinese-based capital to foreign infrastructure projects. As discussed in the Opening Brief, according to Steiner's own representations of his company, the company depended on Mr. Lunsford's unique relationship with the Chinese, something that purportedly took Mr. Lunsford years to develop and that took Steiner over two years to develop. By Steiner's own description of the business, only two people had the requisite knowledge and experience to conduct this business. Thus, it is impossible for the investors to have the requisite sophistication.

Even if Respondents had presented evidence that established each non-accredited investor's relevant experience for this particular industry, they would still fail to meet the exemption because the investors could not have reviewed any records or disclosure information. In *SEC v. Ralston Purina Co.*,[12] the Court held that sophistication is necessary but not sufficient for the exemption: actual information similar to what would be found in registration documents is required. *Ralston* held that the focus of inquiry as to whether an offering is "public" should be on the need of the offerees for the protections afforded by registration, and that when the particular class of offerees has knowledge of or access to the same kind of information that the act would make available in the form of a registration statement, the transaction may come within the private offering exemption.[13] The Second Circuit expanded on this idea in *Gilligan, Will & Co. v Securities & Exchange Com.*: The governing fact is whether the persons to whom the offering is made are in such a position with respect to the issuer that they either actually have such information as a registration would have disclosed, or have access to such information.[14] The

[11] 194 Ariz. 104, 111, 977 P.2d 826, 833 (Ct. App. 1998).
[12] 346 US 119 (1953).
[13] 346 US at 124-125.
[14] 267 F. 2d 461, 466 (2nd Cir. 1959)

information required for a registration statement is found in Schedule A of the Securities Act, 15 U.S.C.A. § 77aa, which lists 32 categories of information, including net proceeds from selling securities, the specific detail and approximate amounts of how funds the securities will be spent, balance sheets, and profit & loss statements.

There is no evidence that Respondents provided this sort of information to investors. There is evidence that Respondents failed to keep any accounting or other records for OBP and Lunsford.[15] Thus, even if the investors had the requisite sophistication—a level of sophistication that by Steiner's own description of the business, was only held by two people—because the information that would have been in a registration disclosure did not exist, Respondents would not meet the exemption through investor sophistication.

Respondents argue that some of the investors were sophisticated by virtue of their financial advisers or relatives. Federal law does allow for sophistication via a "purchaser representative." In order to be a "purchaser representative" the person must satisfy all of the requirements of Rule 501(i), including agreeing in writing to represent the purchaser in the specific purchase.[16] Respondents presented no evidence of such agreements, or that the other requirements of being a purchaser representative were met. Consequently, investor sophistication through representatives is unavailable for this offering.

Because OBP failed to file a Form D, and because there is only evidence that one investor was accredited, only testimony regarding the accreditation/sophistication of 25 of the 37 investors which was insufficient to establish sophistication, and no evidence regarding the remaining 12 investors, the Rule 506 exemption is not available to Respondents.

///

///

///

///

[15] H.T. 48:15–54:6; Exs. S-22, S-23, S-24, S-25, S-40, S-41, S-42, & S-43.
[16] 17 C.F.R. 230.501(i).

III. Respondents' criminal-law-based defenses fail because they were not raised in Respondents' Answers, are inapposite to administrative proceedings, and Respondents have not met the elements of these defenses.

Respondents raise three defenses in their brief, all based on criminal law: entrapment, violation of the Arizona identity-theft statute, and use of evidence produced in an unlawful search and seizure in violation of *Mapp v. Ohio*.[17] These defenses fail for at least three reasons.

First, Respondents did not raise these defenses in their answers to the Notice or to the TC&D. The Notice included the allegation that Respondents had violated Securities Act sections 44-1941, -1942, and -1991. Respondents' answers, respectively filed on March 16, 2012, and October 10, 2013 ("Answers")—did not set forth an affirmative defense to any of the allegations set forth in the Notice. Commission Rule 14-4-305(F) states that "The respondent waives any affirmative defense not raised in the answer." It wasn't until the hearing, months after the answers were filed, that Respondents' counsel first mentioned two of these defenses, those based on the identity-theft statute and an unlawful search and seizure. Because they were not raised in Respondents' Answers, Respondents waived these defenses.

The second reason that the defenses fail is that they do not apply to an Arizona administrative proceeding. Respondents cite no authority, and the Division was unable to find any, where these criminal defenses are applied to administrative cases in Arizona. Respondents also provide no analysis about how these doctrines should apply. They only generally assert that *Mapp* applies without offering any analysis as to how a 1961 U.S. Supreme Court case dealing with criminal procedure would apply to an administrative case. At hearing, Respondents' counsel stated he intended to move to dismiss "every piece of evidence obtained after February 22, 2012, on the basis of *Mapp [v.] Ohio* in the Supreme Court and other later cases that fall under the general aegis of excluding as evidence, evidence obtained through the commission of a crime."[18] Counsel mischaracterized the holding of *Mapp*, which is that evidence obtained in an unconstitutional search and seizure (in that case, confiscating personal property while searching a home without a

[17] 367 U.S. 643 (1961).
[18] H.T. 79:5–80:12.

warrant) cannot be used as evidence to obtain a criminal conviction.[19] And both counsel and Steiner have failed to explain a legal basis to apply *Mapp* to an administrative hearing. Respondents seem to be arguing that a violation of the identity theft statute or using an undercover agent to obtain an offer constitutes "entrapment" and that this somehow triggers the protections of *Mapp*, voiding all evidence obtained after February 22, 2012, the date the TC&D was filed (they offer no explanation as to why they chose this date when they are alleging entrapment that supposedly occurred earlier). Without authority to bring these doctrines as defenses, Respondents' defenses fail in this administrative hearing.

The third reason that these defenses fail is that elements required to establish them are not present in this case.

For the "improper search and seizure" defense found in the 4th Amendment and described in *Mapp*, there has to first be a search and seizure. A "search" implies examination of one's persons or premises to discover evidence to be used in prosecution of criminal action.[20] For purposes of 4th Amendment protection, a "seizure" occurs when a government agent makes some meaningful interference with individual's possessory interest in property.[21] As shown in the Opening Brief, all of Steiner's communications with Mallamo were over the phone, email, or text; there was no search. And there was no seizure: Steiner voluntarily transmitted copies of documents to Mallamo. Consequently, even if this were a criminal proceeding where Steiner's 4th Amendment rights were at issue, he would not have 4th Amendment protection.

Respondents' attempt to use A.R.S. § 13-2008 is similarly flawed. Even if Respondents' had authority for allowing a private citizen to bring charges under this statute or authority for using the statute as a defense in an administrative hearing, Respondents would be unable to establish the elements of the identity-theft statute. The statute requires the use of identity without permission. "Mallamo" is an undercover identity of Weiss. Weiss doesn't need permission from herself to use her own undercover identity. The statute also requires that the purpose of impermissibly taking the

[19] 367 U.S. at 656.
[20] *Jones v. Berry*, 524 F. Supp. 645 (D. Ariz. 1981).
[21] *State v. Peters*, 941 P.2d 228, 189 Ariz. 216 (1997).

identity be to cause a loss to the person. Here, the purpose of assuming an alias was to conduct an investigation pursuant to A.R.S. § 44-1822. Under this statute, the Commission has broad investigative authority.[22] Consequently, even if the identity-theft statute were somehow relevant to these proceedings, Respondents would not be able to establish the required elements of the statute.

Finally, Respondents suggest that communications from a government employee using the alias "Mallamo" amounted to entrapment. To establish entrapment, Respondents would have to meet the requirements of A.R.S. § 13-206, and it would be their burden of proof. This statute requires, among other things, showing that Respondents had no predisposition to engage in the conduct. Here, Respondents stipulated to the fact that they were selling the securities since 2008, more than three years before receiving a call from Mallamo. During communication with Mallamo, Steiner spoke at length about the investment, including mentioning other investors. He then provided documents including an Operating Agreement, a form of which had been in existence for several years. Since Respondents had engaged in this behavior for years before contact with Mallamo, even if this were a criminal trial rather than an administrative hearing, Respondents would have no success asserting the defense entrapment.

IV. The Division showed that Respondents violated §44-1991 by failing to use funds as they represented to investors.

Respondents represented that funds would be used to fund a business. As the Division showed, investor funds were frequently used to pay for Steiner's personal expenses and to pay off other investors. As noted in the Opening Brief, Ms. Flowers testified that based on her conversations with Steiner she expected her investment funds to be used to cover travel expenses necessary to get the interested parties to sign infrastructure contracts, and as some of the investment towards the infrastructure project.[23] Ms. Flowers further testified that she did not expect her funds to go to any other purpose and that she probably would not have invested had she known that her investment

[22] *Carrington v. Ariz. Corp. Comm'n*, 199 Ariz. 303, 305, 18 P.3d 97, 99 (2000) (Courts give the Commission "wide berth" when they review the validity of Commission investigations. An appropriately empowered agency can investigate merely on suspicion that the law is being violated, or even just because it wants assurance that it is not.)
[23] H.T. 207:16–208:3 & 209:4–25.

would be used for Steiner's personal expenses.[24] Respondents' witness, Mr. McLaughlin, testified that he understood that investor funds would be used to "facilitate the [working] projects as far as funding operation, costs" on the projects that Lunsford Consulting was working on.[25]

Additionally, as noted in the Opening Brief, OBP's Operating Agreements state that OBP's manager (i.e. Steiner) will only be paid out of gross revenues.[26] Since OBP was to make its revenues from Lunsford Consulting,[27] and since OBP had not received any revenues,[28] payment to the manager for personal expenses is in contradiction to the terms of the Operating Agreements and the expectations of a reasonable investor based on those Operating Agreements. Thus, any use of funds that did not directly go to the business was in contradiction to representations made to investors.

The Division showed that on several occasions Steiner deposited investor funds in OBP's account and then transferred funds from that account to Steiner. These transactions are detailed in the Opening Brief.

As shown in the Opening Brief, the payments were from OBP's accounts. In spite of this, Respondents spend a portion of their Brief arguing that Mr. Gonzales's testimony is invalid because Lunsford is not subject to the Division's investigation. In addition to the fact that the testimony was primarily about OBP's account, OBP and Lunsford were interrelated in several ways that make Lunsford's actions relevant. As described in detail in the Opening Brief, Steiner represented to investors that the entities were related. OBP investors received the Operating Agreements, which stated that Lunsford would use OBP investor funds. OBP investors also received Lunsford's "Executive Summary" which stated how Lunsford would earn a return on OBP investors' funds. Additionally, Steiner updated investors on the deals that Lunsford was involved in. Finally, Steiner was a manager of both entities through April 2013, when Mr. Lunsford died, and the sole manager thereafter. He was also the signatory on the entities' bank accounts. Thus, he had control of all

[24] H.T. 212:18–22.
[25] H.T. 352:21–353:25.
[26] Exs. S-11, S-71 & S-72 at ¶ 3.6.
[27] *Id.* at ¶ 6.2.
[28] H.T. 560:10–18.

investor funds, where they came from, where they went, and how they were used. These funds were supposed to go to Lunsford to be used for a specific purpose. In other words, although the entities as legal fictions were separate entities, they were intimately interrelated.

More importantly, the nature of the violation of A.R.S. §44-1991 involves a misstatement or omission of material fact. The misstatements and omissions in this case involve the misuse of investor funds. In securities cases, courts will look at the entire transaction.[29] Here, because of how Steiner constructed OBP and Lunsford's relationship, the only way to determine how the funds were used and to determine if the statute has been complied with is to look at Lunsford.

To do as Steiner suggests, i.e. completely ignore the entity designated to spend the investors' money, would lead to the absurd result where any person could raise funds with one entity, transfer the funds to another related entity, and then have a blank check on spending and a complete absence of disclosure requirements because the related entity did not sell the securities. Thus Steiner's assertion that the Division and its accountant should not have investigated Lunsford is mistaken.

V. Respondents violated A.R.S. § 44-1991 by failing to disclose the TC&D.

The Division established that Respondents solicited at least three investors after the Division filed the TC&D on 2/22/12, that Respondents failed to disclose the TC&D to these investors, and that such failure was a material omission under established law. Respondents respond by arguing that the TC&D was no longer in effect when Respondents solicited these investors. This is incorrect. Under Commission rules, if a respondent requests a hearing, a temporary cease and desist order remains in effect until a decision is entered in the matter.[30] Respondents requested a hearing on 3/14/12. Thus the TC&D remains in effect until a decision is entered in this matter. Even if it were not in effect, the authority cited by the Division requires disclosure of all government actions, whether still in effect or not. From the Opening Brief:

[29] *See Tcherepnin v. Knight*, 389 U.S. 332, 336, 88 S.Ct. 548 (1967) (stating cases involving securities should be decided on the basis of the economic realities of the transaction).
[30] R14-4-307(A) & (C); TC&D p.7.

In *State ex rel Corbin v. Goodrich*,[31] the Court of Appeals held that failure to disclose a previous cease and desist order against company issued by Iowa securities regulator was a material omission constituting fraud under the Securities Act. Other jurisdictions interpreting the identical language in the federal securities laws have come to the same conclusion. For example, in *SEC v. Merchant Capital, LLC*, the Eleventh Circuit held that "The existence of a state cease and desist order against identical instruments is clearly relevant to a reasonable investor, who is naturally interested in whether management is following the law in marketing the securities."[32]

Consequently, not disclosing the TC&D was a material omission in violation of A.R.S. § 44-1991.

CONCLUSION

Respondents' Brief fails to establish preemption and fails to establish any defenses to the Division's conclusions as put forth in the Opening Brief; it also fails to cite any authority for Respondents' requests for relief. Consequently, the Division requests that this tribunal deny all of Respondents' requests for relief and again requests that this tribunal grant the Division's requests listed in the Opening Brief.

RESPECTFULLY SUBMITTED December 19, 2014.

Ryan J. Millecam
Attorney for the Securities Division of the
Arizona Corporation Commission

[31] 151 Ariz. 118, 124, 726 P.2d 215, 221 (App. 1986).
[32] 483 F.3d 747, 771 (11th Cir. 2007).

ORIGINAL AND EIGHT (8) COPIES of the foregoing filed this December 19, 2014, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing mailed this December 19, 2014, to:

Mark Steiner and Shelly Steiner
Out of the Blue Processors, LLC, c/o Mark Steiner
7877 E. Hanover Way
Scottsdale, AZ 85255

Respondents

By: